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The sum of the parts

CM visits the world's second-largest Scania dealer, West Bromwich-based Keltruck, to discover what goes on behind the scenes

By **Colin Barnett**

BASED IN WEST Bromwich, Keltruck is the second largest Scania dealer in the world, beaten only by one in Brazil. From the bottom-left of the map, Keltruck's operation begins at Cross Hands, near Llanelli, and cuts a north-easterly swathe across South Wales and central England as far as the A1 at Newark and Worksop. As such you might expect it to offer a wider range of facilities than smaller organisations, and you wouldn't be

disappointed. One service that it can only offer in the way it does thanks to its size, is a large-scale parts recycling operation. Although some other Scania dealers dismantle trucks for parts, no one else operates to the same extent as Keltruck, the largest buyer and seller of used Scania's in the UK.

Keltruck's parts recycling operation is based at its original dealership in West Bromwich, now the head office of the group, and recently given a complete refurbishment to mark the group's 30th anniversary. The recycling process is currently dismantling good running trucks up to 61-registration, which might seem like sacrilege. However, with the long-term view that a business the size of Keltruck can afford to take, the returns are potentially greater. To put the size of the operation into perspective, in 2015 it dismantled about 50 trucks, and contributed around £1.1m to the group's £24m turnover.

Agreements

Everything with the potential to be recycled is removed, cleaned and checked before being added to the inventory on a racking system in a building that is shared with the accident repair centre. Larger items like cabs are stored on a double-deck area at one end.

A variety of warranties are offered on parts, depending on whether the parts are used or reconditioned, and whether they are dealer-fitted or self-fitted. The minimum for used parts is six weeks, long enough to determine if a



component works or not. The most popular parts are diffs, steering boxes and cab tilt pumps.



Exports

The Keltruck group has two accident repair centres; one at West Bromwich and one at Newark. The availability of the used parts resource means that they can quote for

On the web

Keltruck founder Chris Kelly was early to see the potential of the new-fangled internet. With Scania's own website initially being "clunky and difficult to navigate", he arranged for a friend in the burgeoning business to design a more effective local site, and in 1998 keltruck.com was launched and thrived until moving to Scania's improved dealer website platform in 2004. The site now has 1,300 pages and over 7,000 visits a month. The company even has its own smartphone app. A key feature of the website is the online parts business, raising the operation's profile on a global level. What started as an eBay shop has now matured into a slick self-contained website – shop.keltruck.com – where the thousands of parts in stock are categorised and photographed, and can be purchased.



repairs using new, reconditioned or used parts, which can make the difference between a vehicle being a write-off or not. During quiet spells, the recycling department uses the time to repair cabs in the body shop, in the next bay.

Exports of parts and complete trucks are an important part of the Keltruck business. Despite many export markets being subject to more stringent rules regarding age and emissions standards, so that they are no longer the dumping grounds they once were, there are still loyal markets such as Malaysia, Tanzania and Kenya, with Africa as a whole still a growth area. One major problem in certain export markets is fuel quality, but engines can be downrated to an older 'E' emissions standard if required. There's limited export demand for big cabs, though, because cab sleeping seems not to be widespread outside of Europe. ■

Keltruck history

The story of how Keltruck achieved its current position began in 1983 when the Kellys – Chris and Mike – began selling used trucks around Wolverhampton. It wasn't very long before the company's potential was spotted by greater powers and it was invited to become a Scania

dealer. Business was different in those days, with actual money to be made from selling new trucks. Chris Kelly says: "The business is different now, with new vehicle sales a loss leader. The emphasis now, though, is very much around service and operational efficiencies." He adds, however, "there's fortunately still a bit left for the entrepreneurial approach with elements such as used trucks and recycling (the latter is even fashionable these days, too)", which brings the story up to date.

Much of Keltruck's growth has been through acquisition of existing regional

businesses. Acquiring East Midlands Commercials in 2004 and Silurian Scania in South Wales in 2011 expanded the empire to the east and west. As befits an organisation of this size, there's more to it than just selling and caring for trucks. It has a reputation for caring for people as well, both inside and outside the business. Ever since Chris Kelly led a team to deliver aid to Bulgaria in 1991, there has been a strong emphasis on supporting charities locally and more widespread.

● For much more information on the Keltruck history, visit keltruck30.com

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